

Inside TVA

looking inside
January 2006

Volume 27, Issue 1

this month's theme:
Energy efficiency



With all the money and electricity you'll save from TVA's *energy right* program, what's not to love? To find out how you can heat and cool your home for less, call your local electric company or go to energyright.com. Have you seen this commercial? It's been running on television stations throughout the Tennessee Valley, along with radio spots on local radio stations and messages on local news media Web sites.

Gasoline prices above \$2 per gallon. Residential natural gas up 34 percent from last year's record high prices.

It is little wonder many Tennessee Valley consumers may feel that energy costs are spiraling out of control.

TVA's electric rates have increased far less by comparison. But when the weather gets cold, electricity bills can still take

a bigger bite out of household budgets.

"We know some people are having trouble managing their heating costs this winter, and TVA wants to help," says Ken Breeden, executive vice president of Customer Service & Marketing.

"This year, we're making a special effort to provide energy-efficiency information and offering financing for home improvements that will cut energy use."

Through television and radio advertisements throughout the Valley, TVA and distributors of TVA power are encouraging residential consumers to take actions that can lower their power bills and reduce TVA's load.

In addition to promoting energy efficiency through advertising, TVA and par-

See "Energy efficiency" on page 4

'Functional area CEO' drives maintenance gains

The 'functional area CEO' approach is changing the way TVA Nuclear operates.

A year ago, Watts Bar Nuclear Plant Maintenance experienced minor injuries every week. Today, Maintenance has not had a first-aid case in more than six months — a key indicator of improvements in industrial safety and human performance.

What's more, the site's maintenance-productivity index has increased 58 percent in just five months, and elective-maintenance backlogs have dropped by one third since last spring.

Similar leaps are evident in the quality of maintenance work — the number of days between events has grown from three to 10 days.

Everyone in Watts Bar Maintenance owns a piece of this remarkable success story because accountability has been systematically pushed down into the organization. The dramatic improvements illustrate the "functional area CEO" concept that is gaining ground throughout TVA's nuclear organization.

"Simply put, a functional area CEO lets people do their job

and holds them accountable for results, allowing more attention for problem-solving and safety-related activities," says Karl Singer, TVAN Chief Nuclear Officer/Executive Vice President, who described the FACEO concept at the June 2005 TVAN team conference.

He says the need for the new approach was later reinforced in TVAN's 2005 Cultural Health Index survey results showing concern with micromanagement.

Mike Hobbs, manager in Watts Bar's Instrument & Controls Shop, has watched accountability transform his employees.

"Everyone has their performance indicators," Hobbs says. "The indicators tell a stark truth about whether they are meeting their objectives, and their ownership gives me more time for the work I should be doing."

Because workers now own the preventive-maintenance

See "Productivity" on page 8

Building a dream

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Work safely — everyday

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TVA — conserving, too

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New dental-plan carrier

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Environmental excellence at its very best

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It feels good to give

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what's new in employee news

First of three FY 2006 CHI surveys

On Jan. 23, one-third of employees were e-mailed the first Cultural Health Index survey for 2006. It's the first of three CHI surveys this year. Results are due by the end of February.

The goal is for all employees to have a chance to participate each year in a quarterly CHI survey. However, since about a third of FY '06 is now complete, this year's surveys will be conducted in thirds. Ultimately, all employees will have a chance to participate.

"A number of reasons supported moving from an annual CHI survey to an ongoing, quarterly survey approach," says Employee Technical Training & Organizational Effectiveness Senior Manager Mike Purcell.

"An annual survey is a relatively infrequent cycle. Given the importance of cultural factors and their relationship to a company's business results, assessing culture on a quarterly basis is consistent with how we measure other key business indicators."

The January timeframe for the first survey this fiscal year was chosen to allow time for groups to digest and act on their FY '05 CHI results.

Inside TVA

Senior Manager,
Internal Communications,
Carolyn Bradley Minter
Editor, **Nancy Cann**
Art Director, **Kym Morrison**
Photo Editor, **Cletus Mitchell**

CORRESPONDENTS

Suggestions for articles can
be sent to the following
correspondents:

NUCLEAR PLANTS:

Bellefonte, **Susan Gentle**
Browns Ferry, **Craig Beasley**
Sequoyah,
Kay Whittenburg
Watts Bar, **Maureen Brown**

FOSSIL PLANTS:

Allen, **Wavine Isaac**
Bull Run, **Mary Henderson**
Colbert, **Susan Shedd**
Cumberland,
Barbara Williams
Gallatin, **Kriste Lanus**
John Sevier, **Norma Cato**
Johnsonville, **Glenda Killen**
Kingston, **Theresa Long**
Paradise, **Beverly Morehead**
Shawnee, **Debby Abell**
Widows Creek, **Linda Mann**

RIVER SYSTEM

OPERATIONS
& ENVIRONMENT:
Research &
Technology Applications,
Terry Johnson
Environmental Policy &
Planning, **Warren Behlau**

NASHVILLE: **Phil Ivey**

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Making a habit of Habitat

To celebrate the legacy of Dr. Martin Luther King Jr., TVA is building a fourth consecutive Habitat for Humanity house. This four-bedroom house in South Knoxville is for Tracey Branner and her children, Trevoris, 15; Marketta, 12; and Niki, 10. Participating in the groundbreaking ceremony Jan. 14 are from left, Peyton Hairston, senior vice president, Employee Relations & Diversity; Chairman Bill Baxter; Saadia Williams, executive director, Race Relations Center of East Tennessee; Tracey Branner; Kelle Shultz, executive director, Knoxville Habitat for Humanity; Ellen Tapper, UT Community Relations intern; and Vyrone Cravanas, Employee Relations & Diversity manager. Construction at the site of the new house at 1003 Drive D is scheduled to begin in March. Over a nine-week period, TVA employees and other community volunteers will donate their personal time to help. They will be joined by UT football players and members of the Greater Knoxville Dr. Martin Luther King Jr. Commemoration Commission. TVA is financing half the cost of the house and will provide in-kind services for the "Building on the Dream: A House as One" project. TVA will further help the family by having the home certified through the *energy right* program, a partnership between TVA and distributors of TVA power that promotes energy efficiency in home-building. By meeting the energy-efficiency specifications, the homeowner will save money on monthly power bills.



INSIDE BRIEFS

TVAwide

President Bush has nominated Donald R. DePriest of Columbus, Miss., to be a member of the TVA Board of Directors for a term to expire May 18, 2009. DePriest has been chairman of a venture capital firm headquartered in Alexandria, Va., for the past 18 years. The company has founded or invested significantly in companies such as American Telecasting (now merged with Sprint); NCT Corp., an international cellular-phone company based in Alexandria; Maritel Inc. in Alpharetta, Ga.; Microtech Medical in Columbus, Miss.; and BioVentures Inc., based in Murfreesboro, Tenn. A previous company of DePriest's, Charisma Communications Corp., was a pioneer in the cellular-phone business in the early 1980s and established the Cellular One operations in Knoxville, Nashville, Memphis, Chat-



Donald R. DePriest

tanooga, Tri Cities and other locations that are now a part of Verizon Wireless. DePriest also has established manufacturing companies in the surgical, healthcare and textile industries. Others nominated for the TVA Board are Dennis Bottorff of Nashville, Robert Mike Duncan of Inez, Ky., William B. Sansom of Knoxville, Howard A. Thraikill of Huntsville, Ala., and Susan Richardson Williams of Knoxville.

TVA Operating Units

Bull Run Fossil Plant set a continuous-run record of 189 days and was ranked top in the nation in 2004 for coal-fired plant efficiency as reported by *Electric Light & Power* magazine — again. Bull Run has ranked among the nation's top 10 most efficient plants by the utility-industry magazine *Electric Light & Power* every year since 1996, and the plant topped the list three out of the past four years. During the record run from May through November this year, the East Ten-

nessee plant generated about 3.9 billion kilowatt-hours of electricity — enough to supply about 260,000 homes in the Tennessee Valley for a year. *Electric Light & Power* annually ranks the top 20 generating units by various criteria. In the November/December 2005 edition covering performance for calendar-year 2004, Bull Run earned top honors for heat rate, a measure of the efficiency with which a plant turns fuel energy into electric energy. Other TVA power plants also achieved top 20 rankings by *Electric Light & Power*. Paradise Fossil Plant ranked 19th in efficiency. Sequoyah and Browns Ferry nuclear plants each produced more than 18 billion kilowatt-hours of electricity, ranking them 10th and 13th, respectively, in total generation among the nation's nuclear plants. Cumberland Fossil Plant also generated about the same amount of power (18 billion kWh), ranking seventh among U.S. coal-fired plants. Watts Bar Nuclear Plant earned a fifth-place ranking for achieving a 98.6-percent capacity factor.

Retirement plan IRS contribution limits and interest rates set for 2006

For 2006, Internal Revenue Service contribution limits to 401(k) accounts will increase as follows:

IRS contribution limits

The overall contribution limit for calendar year 2006 will increase to \$44,000. This overall limit includes employees' pre-tax or after-tax contributions to the 401(k) Plan, TVA's matching contributions to the 401(k) Plan and employees' after-tax contributions to the fixed or variable funds.

The \$10,000 annual maximum contribution limit to the fixed/variable funds remains in effect.

The pre-tax contribution limit to the 401(k) plan will increase to \$15,000 with the pre-tax catch-up limit for employees who are age 50 or older in 2006 increasing to \$5,000. Note: Catch-up contributions do not count toward the overall limit of \$44,000.

401(k) lump-sum loan repayments

A new feature offered by Fidelity Investments will now allow employees to make additional non-periodic 401(k) loan repayments.

Currently, the loan-repayment schedule is set via biweekly payroll deductions until the loan is repaid in full. Starting this month, additional

lump-sum loan repayments can be made through Fidelity by electronic payments or by sending certified checks, cashier's checks or money orders payable to FIIOC. (Note: FIIOC stands for Fidelity Investments Institutional Operations Company. However, the checks should be made payable to FIIOC.)

For additional information, employees can call Fidelity Investments at 1-800-354-7121 or access their Fidelity account online at www.mysavingsatwork.com/atwork.

Interest rates set

The TVA Retirement System Board of Directors recently approved the following interest rates for calendar year 2006:

Cash Balance Benefit Structure — Interest credits will increase to 6.37 percent from 6.00 percent.

Fixed Funds — Funds previously receiving 7 percent will increase to 7.25 percent.

Funds previously receiving 9.5 percent will decrease to 9 percent.

Employees who have questions can call or e-mail Retirement Services (e-mail: retsvcs@tva.gov; phone: 632-2672, 1-800-824-3870 or the TTY line at 632-7576).

Safety first — Plan jobs safely

Some things are obvious: Wearing seat belts while driving. Clearing aisles of boxes to avoid tripping. Being aware every minute of the day that accidents can happen.

Whether it's at an operations plant, in the field or in an office, safety first is essential in every work area.

A tragic accident happened Dec. 5 at John Sevier Fossil Plant when Tom Bostic, an electrical technician, died from injuries sustained in a fall at the plant. Bostic, who had been with TVA 17 years, fell about 20 feet while working on the plant's coal breaker.

Ken McVay, senior manager, TVA Safety, says there are things everyone can do each day to help reduce the likelihood of accidents for ourselves or co-workers.

"As TVA moves from being a good company to a great company, people will ultimately be the catalyst that makes the difference in achieving this goal," McVay says. "Taking responsibility for a great safety program begins with each employee."

Other scorecard measures

Since the December scorecard was initially posted, revisions to the end-of-the-year forecasts have been made. These were discussed during the Jan. 24 first-quarter review conducted by TVA management.

A higher-than-expected number of forced outages and forced derates have turned the Asset Availability rating from "forecast at or better than target" in November to a "recovery possible" sideways arrow in December. A unit or plant experiences a "forced derate" when it is unable to operate at full power due to unexpected equipment problems. The forced outages and forced derates forecast through the end of the year are based on the level of events already observed through December.

The Net Cash Flow indicator is 16 percent better than plan for the first quarter but is forecast to be 67 percent worse than plan for the fiscal year; therefore, the arrow is now pointing downward, indicating recovery is unlikely.

For the first quarter, cash expenditures for capital, operations and maintenance, and interest expenses have been significantly better than plan by about \$123 million, while the net expense for fuel and purchased power has been worse than plan by about \$93 million. The difference between these two numbers results in the "actuals" being 16 percent better than the plan for the first quarter of 2006.

The FY '06 forecast is much different. Cash expenses are forecast to be \$264 million worse than plan for the year primarily driven by an increase in fuel and purchased power.

Continuing to impact TVA's costs are higher-than-planned coal and gas prices along with a decrease in the planned hydro generation due to dryer-than-normal weather.

Efforts are under way to reduce overall expenses for the year, and employees are encouraged to continue cost-control initiatives.

Winning Performance

TVA Balanced Scorecard for December 2005									
	Weight	Status	Actual YTD	Plan YTD	Year-End Forecast	GOALS			
Financial						Target	Mid	Stretch	
• Net Cash Flow (\$ millions)	20%	↓	(153)	(184)	130	394	456	548	
• Financial Strength/Reduction in Total Financing Obligations* (\$ millions)	15%	▲	(152)	(249)	340	340	420	500	
• Productivity (kWhs Delivered/Total Labor Cost)	10%	▲	91.6	90.7	93.0	93.0	94.8	96.7	
Customer									
• Customer Impact (CPI+CSS)**(%)	10%	▲	112.9	100	100	100	101.7	108.1	
• Economic Development (index)	10%	▲	160	100	100	100	110	120	
Operations									
• Asset Availability (GWh Available/GWh Planned)	15%	➡	100	100	99	100	101	102	
• Environmental Impact *** (index)	10%	▲	71	52	67	67	61	56	
People									
• Safe Workplace**** (Recordable injuries/hours worked)	10%	↓	1.03	1.82	1.82	1.82	1.64	1.55	

* To maintain continuity, the original performance measure name of Financial Strength is referenced with the new name, Reduction in Total Financing Obligations (TFO).

** CPI=Connection Point Interruptions and CSS=Customer Satisfaction Survey. Actuals reported quarterly.

*** Actuals are reported quarterly.

**** Includes TVA and staff-augmented employees; hearing events are excluded. Any TVA employee or staff-augmented

Status:

▲ = Forecast at or better than Target

➡ = Forecast worse than Target, but recovery is possible

↓ = Forecast worse than Target, and recovery is unlikely

contractor fatality or permanent total disability will prevent payout for this indicator at the TVA level as well as the affected SBU/BU.

This scorecard has been posted on the Winning Performance section of TVA's internal Web site.

Safety attitude key to accident-free workplace

Billy Robbins cruised the audience with the skill of a late-night talk show host. "Engineers are a tough audience because they are educated beyond their talent," he quipped to the appreciative audience at Sequoyah Nuclear Plant.

Every now and then, he would poke someone's shoulder and say, "Don't you just love safety meetings?"

But his warm-up slowly transformed into a deadly serious safety message.

Robbins had a near-fatal powerline accident 25 years ago — an accident rooted in a lineman's shortcut. He told his story to 5,986 TVA Nuclear employees and contractors last month as part of a "hooked on safety" initiative following a contractor fatality and severe injury.

"Random acts of stupidity can change a life," Robbins said. "Accidents affect children and grandchildren, and they steal every precious thing you

have."

He said everyone must start each day with a positive safety attitude.

"When it comes to safety, there is no excuse for not being accident-free."

Robbins' message echoed the imperative voiced repeatedly by TVAN Chief Nuclear Officer Karl Singer that everyone owns his or her own safety and all employees are responsible for intervening if they see something unsafe.

Robbins said workers must be highly motivated to be accident free.

Ken Pulliam, a senior mechanical engineer in the Mechanical Design Group at Sequoyah, for one, is a believer.

"I realize now that something done or left undone by another individual can cause a life-altering experience," he said. "I need to be highly motivated with my attitude during all work activities."

TVAN will integrate "hooked on safety" into new-employee orientation,

and other Chief Operating Officer organizations are reviewing the video.

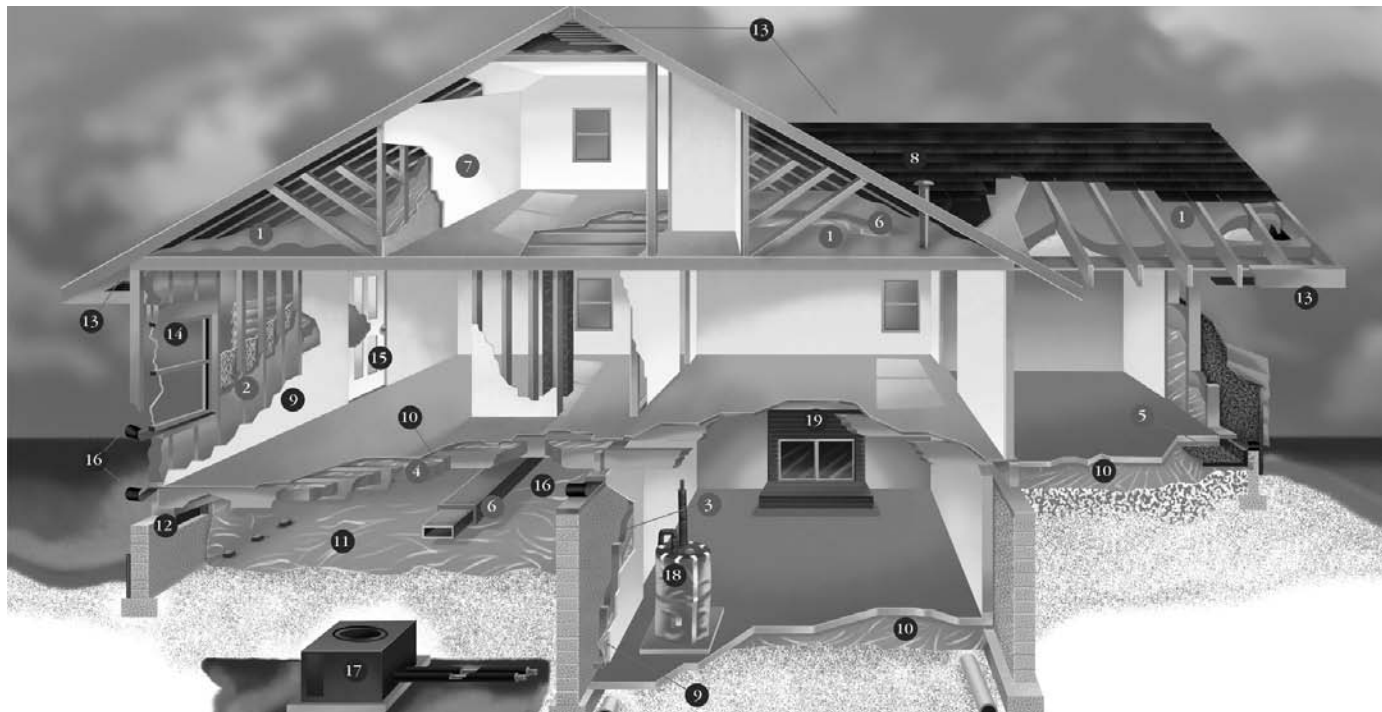
It is one of several TVAN safety ini-

tiatives, including closer collaboration with labor union leaders, to enhance workplace safety. — MAUREEN BROWN



Billy Robbins asks Sequoyah Nuclear Plant employees a question during a recent "hooked on safety" presentation. "When it comes to safety, there is no excuse for not being accident-free," he said.

How do you know if a home is built *energy right*®?



Here's a checklist of 19 energy-efficient features that ensure your new home is *energy right*.

Energy-efficient features such as energy-saving windows and doors, high-efficiency heating and cooling systems, and extra caulking and insulation make everything in these homes more efficient — top to bottom and wall to wall.

INSULATE:

1. Ceilings (attic floors and cathedral)

2. Above grade walls
3. Conditioned basement walls
4. Framed floor
5. Slab-on-grade (edge and under)
6. Heating and cooling ducts (non-conditioned)
7. Attic/knee wall

INSTALL:

8. Damper on exhaust fan vent
9. Continuous-wall vapor barrier
10. Continuous-floor vapor barrier
11. Crawl-space ground cover
12. Crawl-space ventilation

13. Hi-low attic/roof ventilation
14. Energy-efficient windows (double pane, low-E, etc.)
15. Energy-efficient doors (solid wood, foam core, etc.)
16. Weathersealing (caulk, sill plate sealer, etc.)
17. Energy-efficient heat pump (high SEER and HSPF ratings, etc.)
18. Energy-efficient electric water heater (high energy factor)
19. Energy-efficient fireplace (backdraft damper, sealed combustion-air, etc.)



One of the new ads promoting energy efficiency

TVA kicks off Valley-wide energy-efficiency campaign

TVA began an advertising campaign Jan. 2 across the Tennessee Valley to offer consumers tips on how they can cut energy use this winter and save money. The ads are running on television and radio for eight weeks and have been timed to be on the air when TVA sees its highest energy demand of the season.

"We're forecasting a winter peak electricity demand of just over 31,000 megawatts," says Ken Breeden, executive vice president of Customer Service & Marketing.

"That means consumers' winter electricity use could be the highest we've ever seen. It's important that TVA supports our distributor customers and helps get the word out that there are simple steps Valley residents can take to reduce energy use and save money this winter. It's good for the consumer and good for TVA."

Breeden says when consumers use energy efficiently, it helps keep TVA costs down since that means TVA can buy less power from other suppliers to meet its peak power needs. Purchased power typically is generated with natural gas, making it more expensive than the power TVA generates with coal, hydro and nuclear fuel.

More information on home-energy efficiency can be found on the TVA Web site at www.tva.com.

What you can do this winter to cut energy use

Making your home more energy efficient may be easier than you think.

Here are some low-cost and no-cost ways to cut energy use and save on winter energy bills.

Top 10 no-cost steps you can do right now

1. Turn down your heating system's thermostat to 68°F during the day. Turn it down even lower if no one is home for several days.
2. Lower your water heater temperature to 120°F and reduce hot water use by taking shorter showers and using cold water for laundry whenever possible.
3. Turn off lights, televisions and computers when not in use.
4. Remove and recycle your second refrigerator.
5. Keep curtains open on the south side of the house and closed on the north side during the day.
6. Clean refrigerator coils and set the temperature to 36° to 39°F and the freezer to 0° to 5°F.
7. Make sure the fireplace damper is closed when not in use. Don't send warm air up the chimney.
8. Match the size of your pot or pan to the size of the stove burner and cover it with a lid when cooking.
9. Once a year, drain about one gallon of water from your water heater to remove sediment.
10. Air dry dishes instead of using the dishwasher's heat drying option.

Top 10 low-cost steps

1. Caulk and weatherstrip around windows and doors to stop air leaks. Seal any gaps in floors and walls around pipes and electrical wiring.
2. Change filters monthly. Install a "filter whistle" to let you know when to change them.
3. Replace incandescent bulbs with compact fluorescents.
4. Repair air leaks and seal and insulate heating-system ductwork.
5. Add insulation to your attic, crawl space and any accessible exterior walls. Add pipe insulation to first five feet of water pipe coming from your water heater. Install light-switch and electrical-outlet seals on exterior walls.
6. Install an ENERGY STAR® programmable thermostat appropriate for your type of heating system and set it at 68°F for heating.
7. Look for the ENERGY STAR® label when replacing large or small appliances.
8. Wrap your water heater with insulation or install an insulating blanket.
9. Install aerating, low-flow faucets and shower-heads and repair leaky faucets.
10. Use power strips for home electronics, and turn off power strips when equipment is not in use. TVs and DVD players still use power when the switch is off.

Energy efficiency

continued from page 1

icipating local power distributors are offering financing through the *energyright*® program that will allow qualifying consumers to make energy-saving upgrades to their homes. Homeowners can use the loans for such items as the following:

- Attic insulation and ventilation

- Floor insulation, ventilation and vapor barrier
- Insulated doors
- Programmable thermostats
- Caulking and weather-stripping
- Window pane, wall, floor and ceiling repair
- Home energy audits
- Storm windows
- Heating, ventilation and air conditioning maintenance
- Water-heater insulating wraps.

The minimum loan amount is \$500. Borrowers can receive up to \$3,000 at an interest rate of 9 percent for a term of up to five years. TVA and participating power distributors are offering the financing on a temporary basis from Jan. 1 through March 31, 2006.

"TVA can't control the price of fuels such as gasoline and natural gas, but we can help residents better control their energy use and save money," Breeden says.

— FRANK RAPLEY

TVA — Doing its part to conserve

TVA isn't just asking consumers to conserve energy. The company also has been reducing energy waste in its facilities.

"Our efforts have been successful, resulting in TVA's being cited in the latest government reports as the best performer in the federal government in terms of energy use — btu per gross square foot," says Steve Brothers, manager of Energy Legislation & Management. "And we want to encourage employees to help us reduce energy usage at work and at home."

In 2004, TVA implemented a campaign to "stop wasting this" (similar to TVA Nuclear's "Stop Doing This" campaign). Through the efforts of employees and TVA's Energy Management Committee, sponsored by Administrative Services, TVA reduced energy use in 2005 by three percent in standard buildings — office, warehouses, etc. and by three percent in industrial buildings — labs, computer centers, etc. company-wide. These reductions translate to a cost savings in TVA's power and water bills of more than \$600,000.

"Some of the cost savings were accomplished by simple actions every employee can take, such as turning off lights and computer monitors when not in use," Brothers says.

"But, we also have implemented some technological solutions, such as installing occupancy energy sensors that automatically turn off equipment when no one is using it for a period of time. This pilot began in 2004 in the Chattanooga Office Complex and showed energy reductions of about 50 percent."

Rollout of this program throughout TVA will begin during 2006. In addition, in some locations, high-efficiency lamps that use 25-35 percent less power are replacing conventional fluorescent light-



From left, Research & Technology Applications project managers David Dinse and Dejim Lowe and Steve Brothers, manager of Energy Legislation & Management, show an energy sensor that has been installed in Lowe's Signal Place office.

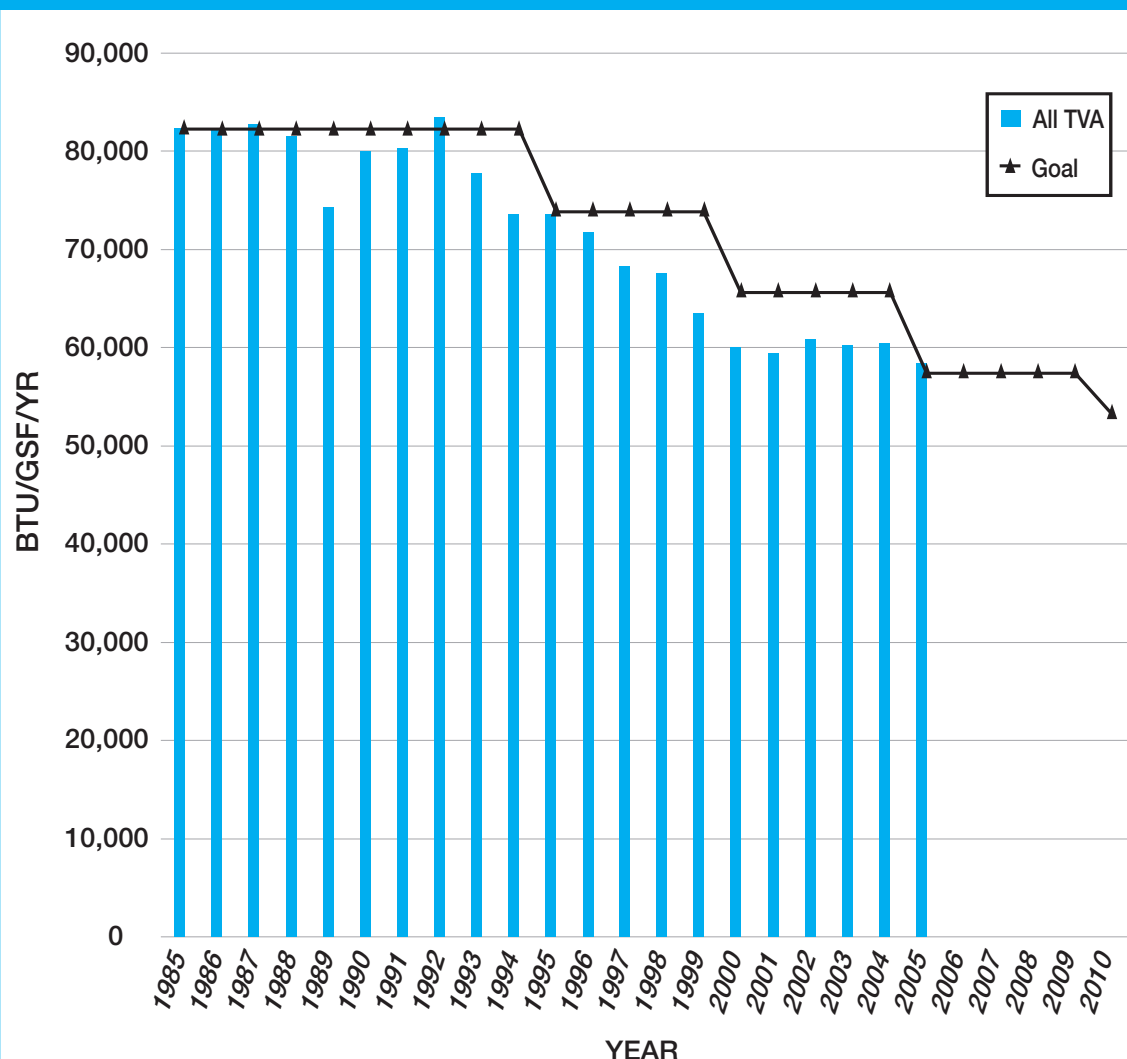
ing, and lower-energy-using LCD computer monitors are replacing high-energy-using CRT computer monitors.

"TVA is considering other innovative technologies

that would save even more power," Brothers says.

"In the meantime, everyone can help lower TVA's utility costs by remembering to follow some simple steps." — KATHY MAY

TVA Standard Building Energy Performance



Making a difference at work

Here are some things you can do at work to conserve energy in TVA buildings:

- Turn off monitor, printer and task lights when not in use.
- Turn off lights in unoccupied spaces.
- Report water leaks to Facilities Management (x2700) or your site-maintenance personnel.
- Make efficient use of TVA vehicles by sharing rides and teleconferencing instead of traveling.
- Make energy-saving suggestions by calling 751-7708.



Max Kirkpatrick, manager of Outages & Projects, (front) and Hal Stephens, supervisor of Outages & Projects, look at one of the new 150-watt high-pressure sodium (HPS) light fixtures at Bull Run Fossil Plant. The HPS lights replace the existing 100-200-watt incandescent lights in the plant's boiler bay area. The HPS fixtures increase the lighting levels while reducing the total energy consumed. In addition, the new lamps have a 24,000-hour life (about three years), compared to a 750-hour life for the incandescent lights. This means lower maintenance costs for lamp replacement.

ACROSS TVA



Unit Operator Larry Littrell explains the operations of a Colbert Fossil Plant unit to the foreign-exchange students and chaperones during their recent visit to the plant.

Colbert Fossil Plant — A group of 22 foreign-exchange students recently toured Colbert Fossil Plant to learn about TVA and power generation. The students are attending various Tennessee high schools as part of the Future Leaders Exchange, or FLEX, program and the Youth Exchange & Study, or YES, program. The FLEX program brings young people to America from Eastern Europe, such as Russia, Ukraine and Armenia. The YES program brings students to the U.S. from countries such as Iraq, Pakistan and Jordan.

Economic Development — TVA's economic-development efforts to attract jobs to the Tennessee Valley ranked No. 1 among utilities in a national business trade magazine's annual report card on economic development. *Business Facilities* magazine, a leading publication in the global economic-development business, also ranked TVA third among utilities in amount of investment that was leveraged

by economic-development efforts. "We are very excited about these high marks on this prominent economic-development report card," says John Bradley, TVA senior vice president of Economic Development. "TVA Economic Development staff, working with power distributors, regional, state and local partners, will continue our mission to create and sustain quality jobs in order to make the Valley a better place to live, work and succeed." By creating 5.1 new jobs per 1,000 customers served, TVA not only led all other utilities, but also nearly doubled the rate of Hoosier Energy, which ranked second with 2.7 jobs per 1,000 residents. The total investment by newly landed industries amounted to \$233 per resident, giving TVA third place in that category. In fiscal year 2005, TVA worked in partnership with various economic-development organizations to attract or retain 57,000 jobs and leverage \$3.6 billion in capital investment.

Kingston Fossil Plant — Kingston's Unit 8 exceeded its longest record at 180 days on Jan. 8, 2006. The record has stood since Nov. 9, 1968. Plant Manager Earl Deskins congratulated all employees for the work they did to set the record. "This record has taken the efforts of many groups and people," he says. "These include Engineering and others that have identified the need, justification and plans to change out our most at-risk tube panels, contractors installing the elements and SCRs, as well as the support of Procurement, Information Services, Fuels, Yard and others. The foundation for this success has been the proper operation and maintenance of the unit and its components."

Widows Creek Fossil Plant — Several Fossil Power Group employees rescued three anglers whose boat had sunk near Widows Creek Fossil Plant Dec. 28. Chris Anderson and Earl McCarty, Yard Operations maintenance technicians, heard cries for help. Two young boys and their grandfather had been fishing on the Tennessee River in Stevenson, Ala., when their boat started taking on water and sank. Anderson and McCarty relayed the call for help. Barry Butler, a coal haul foreman, with deckhands Bob Mooney, Grady Roberson and Tracy Walker, pulled the three anglers from the water. Plant employees helped dry off the boys and their grandfather, who were unhurt. Other employees assisting in the rescue were Yard employee Ron Rawls and Heavy Equipment Division employee Martin Fisher. David Blizzard, a Yard fuel handling supervisor, spoke with the parents of one of the rescued boys later that day.

people, plaudits and promotions

Gary Livingston, senior instrument mechanic at Johnsonville Fossil Plant, has been named Volunteer Fireman of the Year for Station One in Decatur County, Tenn. He is the first lieutenant and training officer and has been with the department since 1997. Livingston was selected for this honor by his chief and the county-side chief primarily for his work obtaining federal grants for the department. In the past two years, they have purchased a new truck, self-contained respirators and turnout gear.



Gary Livingston

Dianne Nuñez, management assistant in Customer Relations & Services, received the POWER award at the Women's International Network of Utility Professionals annual meeting in Columbus, Ohio. The POWER award honors a WINUP member who supports the goals of the organization and who demonstrates leadership in professional organizations. Nuñez was honored for her volunteer work with Nashville's Night Out Against Crime, the American Heart Association, the Junior Achievement Program and the Nashville Adult Literacy Council, along with her leadership role in her local chapter, which included various means of support for the YWCA, the Ronald McDonald House, the Second Harvest Food Bank and Mercy Children's Clinic of Franklin, Tenn. Nuñez also was commended for her involvement in the international board meetings. The Women's International Network of Utility Professionals provides a link for developing and recognizing professionals involved with utility business trends, issues, products and services. Nuñez was the 2005 chair of the Nashville Area WINUP Chapter.



Dianne Nunez

Blue Cross Blue Shield now administering dental plan

Blue Cross Blue Shield of Tennessee is the new administrator for the TVA dental plan for 2006. Employees who have dental coverage should have received their dental identification card from BCBST, which was mailed in late December.

Employees need to notify their dentist of the change to BCBST and use their new ID card at their next dentist visit.

All claims for services beginning Jan. 1, 2006, must be filed with BCBST. Those who did not receive their card can order one through BlueAccess at www.bcbst.com, through the BCBST Web site or by calling BCBST customer service at 1-800-245-7942. Employees can register online on BlueAccess and review their claim information.

No changes in dental coverage

There are no changes in dental coverage or benefits for 2006. The dental plan, however, now has a preferred provider organization, or PPO, network. This network is a "passive PPO network," which means there is no difference in the benefits paid by the plan based on whether a dentist is in the PPO network or not.

The advantage of using PPO dentists is that those dentists have agreed to discounted or "allowable" fees. The dentist will accept the allowable fee as payment

in full. That means the PPO dentist can bill employees for their share of the allowable fee, but cannot bill them for anything beyond the allowable amount. This may mean savings for employees.

For example, if the allowable fee for a service is \$500 and the plan pays \$300 (60 percent), a PPO dentist can bill the patient only for \$200, or the remaining 40 percent.

However, a non-PPO dentist could charge \$1,000 for that same service and would still receive \$300 (60 percent of the allowable fee) from the plan. The non-PPO dentist could then bill the patient for \$700, since the non-PPO dentist does not have to accept the allowable fee as payment in full and can charge the patient any amount.

— THERESA HABIGER

Save money — use BCBST network dentist

Using a dentist in the preferred provider organization network may save you money. To find a dentist participating in the Blue Cross Blue Shield of Tennessee network:

- Go to www.bcbst.com. This link is available on TVA's internal Web site through the Employee Benefits section.
- Select "Find a Doctor or Hospital"
- Select "Dentist"
- Select "Preferred Dental Care" as the network for Tennessee and the

counties in neighboring states that border Tennessee

- Select "DenteMax" as the network for other states (unless the county borders Tennessee)

A dentist can then be located by name or location. Employees also can call BCBST customer service at 1-800-245-7942 to find a dentist in the plan.

Your dental health is important

Studies have linked oral bacteria to heart

disease, stroke, diabetes and the birth of pre-term, low-birth-weight babies.

Regular dental exams can do the following:

- Often uncover other medical conditions that show symptoms in the mouth. For example, uncontrolled diabetes can lead to gum disease.
- Detect oral cancers.
- Help detect other problems such as teeth misalignment or grinding of the teeth that can result in jaw pain, chronic headaches and gum loss.

Seeking — and finding — excellence on the job

Committed, collaborative, competitive. These are traits winners of TVA's Environmental Recognition Program hold. The program recognizes innovative and outstanding environmental accomplishments that can be shared and duplicated inside and outside TVA.

The following are recipients of the awards:

Environmental Protection & Stewardship and the Environmental Excellence of the Year Award — Reservoir Releases Improvement Enhancement Team

River Operations employees Charles Bach, Curtis Goff and William Proctor; Fossil Power Group employees Mark Goins, Charles Savas and David Torrance; and Research & Technology Applications employees Kendal Lennon, Jeffrey Ogden and Dennis Schulte

The team was recognized for its collaborative work on installing nine new aeration systems. The team has increased the amount of oxygen in the tail waters below TVA dams, improved conditions for aquatic life and created more flexibility for TVA to generate hydropower when it's needed, which strengthens TVA's competitive position.



Front row, David Torrance, Jeff Ogden and Kendal Lennon; second row, Charles Bach, Curtis Goff, William Proctor, Charles Savas, Dennis Schulte and Mark Goins

Lifetime Achievement Award — Denton Eady, chemical engineer, Fossil Engineering's Technical Services organization

Maintaining TVA fossil-plant performance while lowering emissions requires a fine balance, and the award went to Eady for his 20-plus years of work in helping TVA achieve that goal. He is credited with making the most cost-efficient coal choices for TVA's fossil plants while optimizing plant performance and minimizing emissions.

Eady's expert coal-combustion knowledge has been an essential ingredient in TVA's successful emissions-reduction program. In addition, his efforts to expand his knowledge of new regulations and his ability to analyze data and communicate understandably provide his stakeholders with a clear understanding of the choices to be made. The reduction of nitrogen oxides, sulfur dioxide, mercury and Toxics Release Inventory emissions from TVA plants is due in part to Eady's exemplary contributions.



Denton Eady

Management Commitment — Raul Alfonso, David Brock, Mike Coston, Robert Harrington, James Holmes and Christopher Killen

Members of the management team of Fossil Power Group's Muscle Shoals Power Service Shops received the award for integration of environmental practices in all business operations.

Environmentally responsible work habits don't become part of employees' practices without a strong commitment on the part of managers. Team members help employees understand how their



From left, standing, Raul Alfonso, Mike Coston and Woody Harrington; seated, Brad Holmes, Dave Brock and Chris Killen

work relates to TVA's environmental goals and Environmental Management System processes. The team members improved their own implementation of the Environmental Management System by conducting self-assessments and by setting up a Corrective Action Program. The program integrates all aspects of site environmental management into a system that identifies deficiencies, assigns responsibilities and tracks corrective actions to closure.

Pollution Prevention & Control — Steven Akers, land use representative

Akers was selected for his leadership, planning and partnership skills in developing a waste-management program. The program involves a coalition of 16 federal, state and local agencies that works to stop the dumping of houseboat wastes into Fontana Reservoir, resulting in cleaner water and greater recreational use of Fontana Reservoir.

This model program will soon be replicated across North Carolina and will provide improved water quality and other long-term benefits to the region. Through these accomplishments, Akers demonstrated a strong commitment to protecting the environment and preventing pollution at the same time he was building more effective partnerships with stakeholders.



Steven Akers

Environmental Compliance — TVA's fossil-power plants — Allen, Bull Run, Colbert, Cumberland, Gallatin, John Sevier, Johnsonville, Kingston, Paradise, Shawnee and Widows Creek

These plants were selected for reducing the environmental impacts of power generation through their continuous improvement in nitrogen-oxide reductions during the 2005 ozone season.

The award honors all the employees at TVA's 11 fossil plants. They kept the plants' emission levels of nitrogen oxides lower than targeted during a summer that saw record power demands, even though the plants had limited access to fuels that produce less nitrogen oxide. Because of their continuous improvement in the operation of selective catalytic reduction equipment, outstanding operations and maintenance on units without SCRs, and an aggressive construction schedule to complete the installation of selective noncatalytic reduction equipment, NOx emissions were the lowest on record at the same time that fossil-system output was the seventh-highest in the system's history.

Partnerships & Public Involvement — Morris Necklaus Jr., Browns Ferry Nuclear Plant Rad supervisor.

Necklaus received the award for his work in North Alabama with TVA's stakeholders.

When he decided to actively promote recycling at Browns Ferry, one result was 110 tons of material diverted to a local recycling center. Another was an increase in the Browns Ferry Spirit Fund, which receives the dollars earned from the plant's recycling. This was a typical activity for Necklaus, whose efforts have been instrumental in enhancing the environmental well-being of North Alabama and improving TVA's relationships with its stakeholders. Necklaus's willingness to take on public leadership roles with regional organizations is noteworthy. He has served as a board member of Keep Athens-Limestone Beautiful, as president and board member of Habitat for Humanity of Athens-Limestone County, and as president of the Federal Emergency Management Agency's Food & Shelter Board in Limestone County.



Morris Necklaus

Innovation & Technology Development — Noel Mizell, foreman of Instrumentation & Controls, Allen Fossil Plant

Mizell was selected for his outstanding contribution with the selective catalytic reduction program at the plant.

TVA has made significant reductions in nitrogen-oxide emissions from its coal-fired plants, and Mizell has played an important part in those reductions through his innovative improvements to the operation of Allen's selective catalytic reduction system. He spearheaded a program to automate the balancing valves in the ammonia-injection system. His focus on ensuring accurate real-time measurement of nitrogen oxide in the flue gas resulted in lower consumption of ammonia and improved NOx reduction, which significantly improved two of Allen's environmental performance indicators. Mizell's commitment to the continuous improvement of plant performance and his in-depth knowledge of SCRs at Allen helped TVA greatly reduce its summertime ozone season NOx emissions.



Noel Mizell

INSIDER

Community Connections bringing help to many

TVA's new Community Relations program: Employees give their time. Community Connections gives monetary benefits to the agencies employees help.

Two years ago, Katie Thompson felt a call for service. Since then, she and her husband, Shan, have given countless hours to helping girls in crisis.

Now her volunteer service has earned a financial reward for her favorite organization through TVA's Community Connections program.

"I have been blessed in my life," says Thompson, engineering manager at Shawnee Fossil Plant. "I believe I have a responsibility to share my blessings with others."

The Thompsons have served as relief house parents at the House of Hope Center in Paducah, Ky. The center provides residential assistance to girls in a pregnancy crisis.

"Because of Community Connections, the center has received a \$250

donation," Thompson says. "Since it relies solely on contributions, the center appreciates everything it gets."

Thompson, Gina Everetts and Al Reynolds were among 18 employees participating in the Community Connections pilot at three locations in November. The program is now rolling out throughout TVA, and employees at all locations can participate.

Everetts's volunteer work has earned a TVA grant for Vanderbilt Children's Hospital in Nashville, and Reynolds's service has earned a grant for the Boys & Girls Clubs of Northwest Alabama.

"Many of the children come in with severe injuries," says Everetts, a project manager in Economic Development. "Dog bites. Car crashes. It's very hard on the parents."

She volunteers for two hours every Sunday, playing with the children while their parents take a break or doing such things as cleaning toys.

"Around the holidays, the hospital has events for the kids, so I go in to help with those," she says. "I just wish I had more time to give and could do more."



Al Reynolds presents a TVA Community Connections check to the Boys & Girls Club of Northwest Alabama.

The new TVA program helps."

Reynolds, a chemistry shift supervisor at Browns Ferry Nuclear Plant, has been working with the Boys & Girls Clubs for more than two years as a Board member, vice president and fundraiser. Cedric Adams, team leader in Research & Technology Applications in Muscle Shoals, is president of the Board.

"When I heard about the pilot program, I applied for a grant," Reynolds says. "Every organization is in need of funds and volunteers right now. Community Connections lets the kids know that people care about them."

Through the new program, Thompson, Everetts and Reynolds received \$250 for their organizations. They can receive an additional \$250 grant for 50 more hours of service.

Nina Mauldin, manager of Corporate Contributions and administrator of the program, says Community Connections is one part of TVA's Community Relations program.

"This program helps support our employees and our community part-



Katie Thompson feeds one of "her" babies at the House of Hope Center.

Community Connections and how to participate

Through Community Connections, your hours of personal volunteer service can earn money for eligible nonprofit agencies.

Here's how it works:

- For every 50 hours of personal time volunteered— \$250 grant
- For every 100 hours of personal time volunteered— two \$250 grants

Details on how to apply for a grant and grant applications are on TVA's internal Web site or by calling 632-8867.

ners," she says. "It complements the efforts TVA and employees make through Team TVA events, community activities, Corporate Contributions and the Speakers Bureau. This program will benefit so many people in so many ways." — NANCY CANN



Gina Everetts reads to a new friend at Vanderbilt Children's Hospital in Nashville. Everetts's volunteerism earned a TVA Community Connections grant for the hospital.



From left, Mike Hobbs, Instrument Maintenance Shop manager; Jeff Swenney, electrician technician III; and Donna Murphy, Multi-Skill Shop "B" manager

Productivity

continued from page 1

backlog, for instance, Hobbs spends 15 minutes per week on the backlog rather than six hours.

"Now I can spend that time on strategy and more time in the field."

Hobbs and Donna Murphy, recently promoted to Multi-Skill Shop manager, agree that driving ownership down to the foreman level and a revised state-of-the-shop meeting process have contributed to the success. The meeting now focuses on trends rather than work details because nuclear maintenance supervisors behave as managers instead of lead workers.

"The crafts have noticed something different," says Murphy. "They're not always sure what it is but they think it's good. We can directly attribute the enviable 93-percent schedule adherence rate to individual accountability."

Tom Aslinger, a senior instrument mechanic foreman, says the new control he has over scheduling leverages his knowledge of man-

power levels, resulting in more efficient execution of work.

"I think the functional CEO concept is well-designed and will work because it will increase accountability and people's pride in their work."

Perhaps the strongest endorsement can be found in the Watts Bar evaluation last fall by the Institute for Nuclear Power Operations. INPO praised Maintenance supervisors for a strong field presence, a good job communicating expectations and noted the enhanced alignment and accountability.

Maintenance & Modifications Manager Alvin Hinson emphasized the success in Maintenance could not have occurred without lateral support across several Watts Bar departments, underscoring the point that a CEO cannot be effective in a silo.

Hinson and his staff are documenting the model for their FACEO implementation and processes. It will be provided to other Watts Bar organizations and all TVAN sites for their use in matching or bettering the Watts Bar Maintenance & Mods success. — MAUREEN BROWN